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FM AMEMBASSY ABUJA
TO RUEHC/SECSTATE WASHDC PRIORITY 5221
INFO RUEHOS/AMCONSUL LAGOS PRIORITY 0779
RUEHGB/AMEMBASSY BAGHDAD 0042
RUEHZK/ECOWAS COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHRC/DEPT OF AGRICULTURE WASHDC

UNCLAS SECTION 01 OF 03 ABUJA 000231

SENSITIVE
SIPDIS

DEPT PASS TO USTR-AGAMA AND USAID/AFR FOR ATWOOD
BAGHDAD FOR DUNDAS MCCULLOUGH
TREASURY FOR PETERS, IERONIMO AND HALL
DOC FOR 3317/ITA/OA/KBURRESS AND 3130/USFC/OIO/ANESA/CREED
USDA/FAS/OTP FOR MCKENZIE
DEPT PASS TO USAID WASHDC

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [KIPR](#) [EINV](#) [EAID](#) [EAGR](#) [PGOV](#) [NI](#)

SUBJECT: NIGERIA: NEW COMMERCE MINISTER SEEKS FURTHER US INVESTMENT;
PLANS TO ATTEND NEXT TIFA

REF: A. ABUJA 88

[1](#)B. ABUJA 79
[1](#)C. 08 ABUJA 2486
[1](#)D. 08 ABUJA 2446
[1](#)E. 08 ABUJA 2360
[1](#)F. 08 ABUJA 2340
[1](#)G. 08 ABUJA 2327
[1](#)H. 08 ABUJA 2302
[1](#)I. 08 ABUJA 2223
[1](#)J. 08 ABUJA 2197
[1](#)K. 08 ABUJA 1977
[1](#)L. 08 ABUJA 1925

SENSITIVE BUT UNCLASSIFIED - NOT FOR Distro OUTSIDE USG

[1](#)1. (SBU) SUMMARY. The Ambassador met with newly appointed Minister of Commerce and Industry (MCI) Chief Achike Uzomah Udenwa February 5 to update him on the March 30-31 Trade and Investment Framework Agreement (TIFA) Council Meeting in Washington, the USG \$25 million Global Food Security Response (GFSR) program administered by USAID, and next steps to further the U.S./Nigerian government (GON) economic relationship. Minister Udenwa was eager to deepen economic ties to the U.S. and contended that it would be a priority area under his leadership. U.S. economic ties to Nigeria have the potential to grow significantly in the next 12 months if the GON is willing to engage in a more vigorous fashion on key outstanding issues, such as trade policy reform, bilateral investment treaty (BIT), increasing Nigerian exports under the African Growth and Opportunity Act (AGOA), and improving agricultural productivity.
END SUMMARY.

Framework for Partnership

[1](#)2. (SBU) February 5, 2009 Ambassador, EconDeputy, and USAID EconGrowthDir (Director of Economic Growth) met with Minister of Commerce and Industry (MCI) Chief Achike Uzomah Udenwa. Following brief comments with the press in attendance, Minister Udenwa and the Ambassador focused on the way forward. Minister Udenwa congratulated the U.S. on the recent inauguration of President Obama, said that the U.S. is a "second home to many Nigerians" and "big brother" and that he hopes to deepen economic cooperation. In addition, Nigeria looked towards U.S. leadership during this difficult global economic situation, which he admitted was hurting Nigeria as well (See septel on Ambassador's meeting with Finance Minister).

13. (SBU) The Minister added that he was aware of the Trade and Investment Framework Agreement (TIFA) in place since 2000 and the "very good" trade relationship and longstanding engagement with the U.S. He shared that one of his goals is to increase U.S. foreign direct investment (FDI). He expressed appreciation for the African Growth and Opportunity Act (AGOA) and commented that Nigeria has not taken enough advantage of it to increase non-oil exports. However, he plans to focus on AGOA in order to assist exporters in improving standards and facilitating trade. The Minister related that in 2002, as governor of Imo State, he met with the U.S. Department of Agriculture Foreign Agricultural Service Attache in Lagos and with U.S. Trade Development Agency (USTDA) officials. He found USTDA assistance on feasibility studies extremely useful and looked forward to MCI working with USTDA.

14. (SBU) The Ambassador noted the extremely strong ties that exist and that the ties could become even stronger in 2009 under the Framework for Partnership. She explained that under the Framework for Partnership the U.S. and Nigeria have set up thematic working groups (WG) to focus on trade, investment, AGOA and intellectual property rights (IPR). Within the trade WG, agriculture and food security and development are included. The Ambassador noted the recent reduction in some tariffs, moving closer to adopting the Economic Community of West African States (ECOWAS) Common External Tariff (CET), but said more needed to be done for U.S. investors to really enter the Nigerian market.

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Bilateral Investment Treaty

15. (SBU) The Ambassador underscored that the U.S. hopes to increase

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trade and investment in Nigeria; however, a missing key component for U.S. investors is a bilateral investment treaty (BIT). The Ambassador noted that the lack of a BIT is a key impediment to attracting U.S. investors. Other issues that hinder investment are the GON's poor enforcement of intellectual property rights (IPR) and Nigeria's non-compliance with its World Trade Organization (WTO) obligations. The Ambassador commented that since the December 2007 TIFA Council Meeting in Abuja, the U.S. has several times provided the GON with a USG BIT template and that she spoke about it with the President's Chief Economic Advisor Tanimu Yakubu in December 2008. The Ambassador underscored that it would be useful if Nigeria would send a team to the next TIFA to begin serious discussions on a range of trade issues, including beginning exploratory talks on the BIT.

16. (SBU) Minister Udenwa replied that the GON wants U.S. businesses to invest in Nigeria and promised that his team would focus on U.S. concerns and liaise with Chief Economic Advisor Yakubu on the next steps on BIT discussions. The Minister requested another copy of the USG BIT template (which EconDep forwarded to Assistant Trade Director Augustine Adigwe on February 6).

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Next TIFA Council Meeting

17. (SBU) The Ambassador reported that the USG has proposed the next TIFA Council Meeting for March 30-31, 2009 in Washington, stressing the importance of the Minister's leadership in order to strengthen the trade and investment relationship. The Minister responded that he would review and coordinate with others in the GON on who would lead the delegation and said he would try to encourage support within the GON for him to attend. (Note: President Yar'Adua has said that travel by ministers and ministries will be reviewed very carefully given global financial crisis. End Note).

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Global Food Security Response Program

18. (SBU) The Ambassador reported the USG is interested in focusing on agricultural productivity as a key engine for growth for Nigeria. The USG via USAID has set aside \$25 million to work with Nigeria on the GFSR program that will work with farmers and government officials on capacity building in the agricultural sector. The

Ambassador said the program will increase productivity and overcome bottlenecks across the value chain, including transport and customs hurdles. The Ambassador noted that meeting sanitary and phytosanitary (SPS) requirements would be important for Nigeria to export food products to the U.S.

¶9. (SBU) The Minister responded that the Ministry of Agriculture has the lead but he wants MCI to play a prominent role in food processing and preservation, particularly with agricultural products, such as cotton for textile manufacturing. In addition, the Minister promised cooperation on transportation and trade policy issues to increase agricultural productivity. The Minister requested that the USG follow up with MCI staff on the GFSR assistance to MCI.

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Way Forward

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¶10. (SBU) The Ambassador advised that cooperation should be coordinated within the Framework for Partnership working groups and for MCI to notify the Mission of the points of contact for further discussions. The Ambassador suggested more rigorous and regular discussions were needed and Minister Udenwa and newly appointed MCI Permanent Secretary Linus Awute agreed. The Ambassador passed to the Minister the U.S.-Nigeria Framework for Partnership handbook; AID Global Food Security Response Implementation plan overview; the TIFA work plan; AGOA fact sheet; a summary and update of USG engagement with the GON in 2008 and 2009; a letter from Assistant U.S. Trade Representative for Africa Florizelle Liser to Minister Udenwa inviting him to the March 30-31 TIFA Council Meeting; a letter from U.S. Department of Commerce Deputy Assistant Secretary for Africa Holly Vineyard to Minister Udenwa agreeing to work with MCI on consumer protection and counterfeit products. (NOTE: On September 1, 2008 former MCI Minister Charles Ugwu sent a letter to the Ambassador requesting assistance on strengthening Nigeria's

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consumer protection laws and regulations. The letter from DAS Vineyard is in response to this request. END NOTE.)

¶11. (SBU) COMMENT: Minister Udenwa has a positive image of U.S. and also on assistance in trade and investment from his time as the governor of Imo State. He is eager to work with the USG and is getting up to speed on the details of the substantial assistance the USG provides to his Ministry. USAID and Econ Section had several productive meetings with MCI staff in January and February in preparation for the March TIFA and GFSR program for Nigeria and expect continued open and good communications under the Minister's direction. USAID and the Embassy will follow up with new regional USDA representative in Dakar to arrange capacity building in Nigeria using the USAID funded interagency agreement on SPS under the African Global Competitiveness Initiative. Post requests that this be conveyed to USDA Washington. The Ambassador will continue to advocate that the Minister play a leadership role in the TIFA Council Meeting and BIT discussions and be a partner with us to further reduce GON trade barriers and become more WTO compliant. END COMMENT.

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